mncha

October 10, 2006

Ms. Linda Cole
Chief, Long Term Care Policy and Planning
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore MD 21215

Dear Ms. Cole:

On behalf of the Maryland-National Capital Home Care Association, I would like to thank you for the opportunity for us to offer comments on the State Health Plan. Our Home Health and Government Affairs Committees solicited comments from our members and I have consolidated those comments on which they were all in agreement for your consideration.

The discussion of the plan in general terms reflected a consensus that adding more agencies will not equate to higher quality or improved outcomes, nor does it increase access to care. In fact most agreed that adding agencies would only prove to have a negative effect on both outcome and quality due to the limited availability of providers. While we are aware that it is difficult to project the impact of the workforce capacity on delivery volume, access and capacity we believe it can't be ignored when considering the data for trending utilization and amending need methodology. The number of caregivers in any given area could have a far greater impact on "need" than utilization forecasts. Add to that the additional constraints that are added to maintaining an adequate workforce as a result of payment system and regulatory changes.

We questioned the members in the outlying areas specifically and there was no quantifiable need. None of the agencies in these areas were at capacity. It was referenced that getting additional agencies into these areas which are primarily serviced by hospital based agencies could actually have the reverse effect of reducing the number of agencies as the large, national agencies with more money and benefits in their arsenal would be the only ones able to compete for the workforce in the hospital based agencies who control the referrals.

These staffing issues also impact the ability to provide charity care due to a more limited staff and reduced financial viability. It is believed that all providers are essentially offering some level of charity care and that this should not be regulated by the state.

The Medicaid requirement is somewhat tied in with the issue of charity care because reimbursements by the state do not cover the cost of delivery. In addition, the difficulty in achieving authorization for services and the subsequent impact of unpaid claims on agency cash flow has a negative effect on the agency bottom line. It was agreed, however, that the providers should continue to participate in the Medicaid programs(s).

The use of 2004 aggregated data for the base year was called into question. It was uniformly agreed that the most recent year, 2005, should be used and that the data be subject to verification. In addition, it was discussed that OASIS data be included in the establishment of new needs methodology particularly when trying to effect quality and outcomes. The question was also raised as to whether the percentage of discharges used in the formula are the same percentages used when considering changes to the Maryland CON last year. While we did not know the answer to that we wanted to note that it would be useful to know to what degree these have changed since that report.

Our final comment is in the form of a request. It was agreed that we should request an extension so that the 2005 data could be incorporated and reviewed to determine the impact on this proposal.

We hope that you will find this input useful. If you need any additional information from any or all of our members, we would be happy to be of assistance. This plan is extremely critical to all of us and the recipients of healthcare in the State of Maryland. We need to do whatever we can to provide the best possible outline for all of us in the homecare arena.

Sincerely,

Sarah A. Myers
Interim Executive Director

cc: MNCHA Board of Directors
Government Affairs Committee & Chair
Home Health Committee & Chair